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Foreign Crops and MARKETS



VOLUME 55

NUMBER 10

Northwestern European Dairy Products Output Cut by Drought in Second Quarter 1947; Decline Continues. (Page 162)

Foreign Countries Interested in Buying American Soybeans Despite Shortage of Dollar Exchange. (Page 158)

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CONTENTS

Page

COTTON	
Cotton-price Quotations on Foreign Markets	162
ECONOMIC DEVELOPMENTS	
Exporter Accepts Imports in Trade	167
EUROPEAN CROP CONDITIONS	
August Drought in Europe Reducing Late	
Crops	166
FATS AND OILS	
Export Demand for Soybeans	158
Great Britain Sets High Flaxseed Goals	160
Chile Has Record Oilseed Output	160
FRUITS, VEGETABLES AND NUTS	
Heavy Storm Damage to Panama Bananas	157
Canada to Support Price of Nova Scotian	
Apples	158
GRAINS, GRAIN PRODUCTS AND FEEDS	
Ecuadoran Rice Supplies Less	156
Philippine Rice Prices Continue at High	
Level	156
Argentine Wheat Acreage Smaller	157
LIVESTOCK AND ANIMAL PRODUCTS	
World Output of Dairy Products, Second	
Quarter 1947	162
TOPACCO	
China's 1947 Flue-cured Crop Above Last	
Year's	155

FOR RELEASE

MONDAY

SEPT. 8, 1947

Issued by the OFFICE OF FOREIGN AGRICULTURAL RELATIONS
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

L A T E N E W S

Opening wool prices at Sydney September 1 for the new season, (1947-48), for good top-making merino wool 64-70s were about 20 percent above the June closing price. Adelaide prices on September 2 opened slightly higher than at Sydney.

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The Anglo-Uruguayan meat contract negotiations have been concluded, according to an announcement in London. Under terms of this agreement, which will continue in effect until 1950, prices will be 7.5 percent higher than last year, and subject to yearly revision should conditions warrant. Uruguay is permitted to reserve 17 percent of its production the first year, and 22 percent the succeeding years, for export to other countries. For the first time, the Uruguayan meat contract with the United Kingdom is essentially the same as that in existence with Argentina.

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A prolonged dry spell in Uruguay remains unbroken at present, menacing the future harvest and the natural pasture for livestock. Serious losses to the national economy, perhaps approaching the disastrous drought year of 1943, are freely predicted if widespread and effective rainfall does not occur within the next two weeks.

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The first official estimate places Canada's 1947 tobacco production at 146.4 million pounds, broken down by types as follows: Flue-cured, 123.9 million pounds; burley, 14.2 million; dark 2.5 million; cigar, 4.0, and pipe, 1.8 million. If the estimate is realized, Canada's production this year will represent a record. In 1946, production amounted to 141.4 million pounds.

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A decree by the President of Cuba, reportedly signed August 22, limits Cuban 1947-48 tobacco production to 53.8 million pounds. The decree provides for allocation of production quotas among growers who grew tobacco during the 1945-46 season. Cuba's tobacco crop amounted to about 65 million pounds for 1946-47.

(Continued on back page)

COMMODITY DEVELOPMENTS

TOBACCOCHINA'S 1947 FLUE-CURED
CROP ABOVE LAST YEAR'S

The 1947 flue-cured tobacco crop in China is placed at 130 million pounds compared with about 100 million last year, according to a report from the American Consulate General at Shanghai.

Production by provinces this year is placed at 80 million for Honan, 30 million for Shantung, and Anhwei 20 million. Inferior seed and drought conditions, particularly in Honan, held this season's outturn considerably below expectations. Accordingly, prospective domestic supplies of 1947 flue-cured leaf may cover only about 60 percent of China's requirements for the year beginning October 1, 1947.

A substantial quantity of imports will be required during 1947-48 to supplement the short domestic supplies, if factory consumption of leaf is to continue at last year's rate of about 190 million pounds. These imports, however, depend on the availability of foreign exchange and on the import control policy of the government.

A government program for aiding flue-cured tobacco growers in Honan was undertaken this year. The Tobacco Improvement Bureau, through the Farmer's Bank of China, extended considerable financial assistance for the purchase of seeds, fertilizers, implements, and insecticides. Funds were also allocated for the erection of a re-drying plant, coal-purchases, and for curing barns.

Cigarette production in Shanghai is now about equal to the prewar level. Total leaf consumption for the eight months beginning October 1946 is estimated at about 119 million pounds; of which 36 million pounds were of United States origin. Cigarettes manufactured during the period totaled 42.5 billion pieces. Shanghai is by far the most important cigarette-manufacturing center, but factories at Tsingtao, Tientsin, and Hankow produce considerable quantities. For all China (excluding Manchuria and Taiwan) leaf consumption in cigarette manufacture may reach 190 million pounds for the full 12-month period beginning October 1946.

Leaf tobacco imports needed to supplement domestic supplies are regulated by the Import Control Board. Each quarter a quota of foreign exchange is allocated to leaf importers. For the three months, February-April, 1947, the quota was US \$8 million and the same amount was set for the second quarter. For the three months, August-October, 1947,

the exchange quota was fixed at US \$5 million. During the seven months, October 1946 to April 1947, imports of leaf tobacco into China totaled 31.7 million pounds, of which 31.4 million were from the United States. In addition, about 6.7 million pounds of stems were imported -- practically all from the United States. These imports compared very favorably with China's average annual imports of leaf and stems, amounting to 57 million pounds, during the five years 1935-39.

GRAIN, GRAIN PRODUCTS AND FEEDS

ECUADORAN RICE SUPPLIES LESS

The exportable surplus of rice available from Ecuador's 1947 crop is estimated by the trade at approximately 140 million pounds, nearly 10 million less than 1946 exports. Insect damage reduced the yield per acre in some localities and dimmed early prospects for a record crop. Production during the year is now unofficially forecast around 7,000,000 bushels (205 million pounds milled) against 7,691,000 bushels (225 million pounds) in 1946, and 3,439,000 bushels (100 million pounds) annually during the prewar (1936-40) period.

Ecuador: Rice exports by country, January-June 1947,
with comparisons

Country of Destination	: Average : 1937-1941	: : 1944	: : 1945	: : 1946 a/	: January-June a/ : 1946	: 1947
	: Million : pounds	: Million : pounds	: Million : pounds	: Million : pounds	: Million : pounds	: Million : pounds
Cuba	: 2	: 88	: 55	: 46	: 11	: 0
Peru	: 13	: 29	: 0	: 0	: 0	: 0
Venezuela	: 6	: 17	: 4	: 17	: 13	: 17
Colombia	: 4	: 0	: b/	: 2	: 0	: 2
Panama	: 2	: 2	: b/	: 5	: 1	: 0
Jamaica	: 0	: 0	: 0	: 16	: 0	: b/
Philippines	: 0	: 0	: 0	: 38	: 0	: 0
Others	: 4	: 6	: 6	: c/ 24	: 1	: 3
Total	: 31	: 142	: 65	: 148	: 26	: 22

Compiled from official sources.

a/ Preliminary. b/ Less than 500,000 pounds.

c/ Includes 6 million pounds to Mexico, and 5 million to Greece.

PHILIPPINE RICE PRICES CONTINUE AT HIGH LEVEL

Rice prices in the Philippine Islands during the week ended August 15, although down slightly from quotations of preceding weeks, continued sharply above prewar prices.

Commercial wholesale prices, ex-warehouse at Manila, for Macan No. 1 milled, were from \$12.35 to \$12.76 per 100 pounds, compared with July quotations of \$12.55 to \$13.16 per 100 pounds. NARIC, milled rice No. 1 on August 15 was \$12.11, the price quoted since late July, and was above June prices of \$10.93 per 100 pounds.

The price to producers for new-crop rough rice delivered at the mill, Cabanatuan, has been \$7.81 since July 26, when it dropped from \$8.06 per 100 pounds, the high point of the season. The prewar maximum fixed price in October 1941 for Macan No. 1 milled was \$2.51, and the price to farmers for Macan rough rice, \$1.65 per 100 pounds.

ARGENTINE WHEAT ACREAGE SMALLER

The area seeded to wheat in Argentina for the current season is 14,344,000 acres, one of the smallest wheat seedings on record, according to the first official estimate. The indicated reduction of about 13 percent from last year's reported acreage sown was in line with unofficial predictions of a 10 to 15 percent decrease in wheat seedings this year.

Weather conditions have been reported generally satisfactory, though heavy rains in parts of Buenos Aires Province delayed seeding. In other parts of that Province, and in Santa Fe, dryness is causing some concern. Danger of locust damage is said to have lessened as a result of a vigorous control campaign.

Average yields, on a sown basis, on the acreage reported would produce about 175 million bushels. This would be a below-average crop, comparing with 233 million bushels, the average for the 10 years ending with 1939. Last year's crop of 206 million bushels resulted from slightly better than average yields on acreage reported at 16.5 million acres sown, and 13.7 million harvested.

FRUITS, NUTS AND VEGETABLES

HEAVY STORM DAMAGE TO PANAMA BANANAS

A storm in Chiriqui Province in the Republic of Panama caused heavy damage to the banana plantations of the Chiriqui Land Co. Company officials estimate that 75 percent of the plants were destroyed and that 3 million stems of fruit, valued at 3 million dollars, have been lost. Normal exports, averaging 450,000 stems a month, cannot be resumed for about six months, thus the estimated exports of 6 million stems for the year are expected to be reduced by about one third.

CANADA TO SUPPORT PRICE OF NOVA SCOTIAN APPLES

The Agricultural Prices Support Board of Canada has been authorized by the Dominion Government to enter into an agreement with the Nova Scotia Apple Marketing Board to support the price of apples from the 1947 crop, according to recent announcement by the Minister of Agriculture.

While all details have not been worked out, certain features were announced as follows: (1) The agreement will provide for the continuance of the Nova Scotia Apple Marketing Board as the sole marketing agency for apples from that area. (2) The Agricultural Prices Support Board will guarantee a minimum average return for all varieties and grades handled by the Apple Marketing Board of \$2.25 per barrel (3 bus.) to the grower before packing costs. (3) The Agricultural Prices Support Board will purchase up to 200,000 barrels of varieties and grades which are not readily salable on this continent and dispose of them outside of the markets available to the Apple Marketing Board.

FATS AND OILS

EXPORT DEMAND FOR SOYBEANS

Foreign countries are interested in buying American soybeans in spite of the shortage of dollar exchange, Fred J. Rossiter, international commodity specialist of the Office of Foreign Agricultural Relations, said in an address September 6 before the American Soybean Association's annual meeting at Columbus, Ohio.

Because soybean oil has many uses and many competitors, the foreign demand for American soybeans must be appraised in light of the world's supply and the world demand of other fats and oils, Rossiter stated.

He went on to say that although the total production of fats and oils in the United States is continuing above the prewar level, production in most parts of the world remains below prewar. World production of 21 major edible and industrial fats and oils during the prewar period (1935-39) is estimated at about 21.5 million short tons oil content. The production of the same commodities for 1946 was estimated at 17.7 million tons or about 20 percent below the prewar average. A preliminary estimate for 1947 places the production at about 19 million short tons or at about 13 percent below the 1935-39 annual output.

In Africa, the total exportable supplies are placed at about 40 percent below the prewar output. Total exportable supplies from Asia, despite the record Philippine copra output, are still 1 1/2 million tons of oil below the prewar figure.

In South America total production of fats and oils is somewhat above the prewar level while the exportable surplus at the present time is somewhat below.

Net World Imports Down

The prewar net world imports of fats and oils equaled about 6.5 million short tons of oil. In 1946 only about 2.9 million tons were available. In 1947, about 3.5 million tons are available for export movement. The economy of many importing countries is so badly disrupted that it will be sometime before many of them will be able to purchase their prewar volume of imports. The effective demand from many foreign countries for fats and oils is actually less than it was a year ago, but as buying power in the importing countries improves the demand for fats and oils should increase beyond the present volume.

In spite of the present reduced effective demand for fats and oils foreign countries are interested in American soybeans for crushing. Continental European countries before the war crushed 40 million bushels of imported soybeans annually whereas the past 12 months they have crushed less than 2 million bushels. These same countries during the prewar period crushed 1,300,000 short tons of shelled peanuts and 45 million bushels of flaxseed annually. During the past year they crushed less than 200,000 tons of peanuts and less than 2 million bushels of flaxseed. The oil mills of France, Belgium, the Netherlands and Denmark are operating in 1947 at about 22 percent of their present capacity.

Manchurian Soybeans

This year these continental countries obtained about 1 million bushels of soybeans from Manchuria, and although soybeans are now available in Manchuria, there is little immediate prospect of getting the supplies out.

It does not appear likely that European oil mills will be able to obtain any volume of soybeans to crush in the near future, unless they are imported from the United States or possibly Manchuria.

The availability of other oilseeds is not promising. Prewar, peanuts were obtained from French and British West Africa, India, China, and Manchuria. This year, French West African exports will be materially below the prewar volume. British West African peanuts are all reserved for the United Kingdom. India's production has decreased somewhat and domestic consumption has increased leaving only an insignificant quantity for Europe. It is possible that small quantities may be obtained from China but availability from Manchuria appears doubtful.

European countries formerly obtained flaxseed from Argentina, Uruguay and India. At the present time Argentina and Uruguay are crushing their own seed and selling only linseed oil and meal. India is adopting this same policy. Therefore, it appears that Europe will import but little flaxseed in the near future.

Most of the European countries will obtain limited quantities of oilseeds. The Netherlands will crush copra from the Netherlands Indies. Belgium will have **palm kernels from Belgium Congo and France** will have some peanuts from French West Africa. All the European countries are receiving some Philippine copra. The volume of oilseeds for crushing in 1948 may be somewhat greater than the small volume this year, but is not expected to increase materially during the next few years.

It is evident that European countries will desire to obtain American soybeans for some time. Canada, the Philippines, and other areas are interested in securing small quantities. The quantity that foreign countries will purchase naturally depends upon our price and the price for which oilseeds and oil and cake can be procured from other areas. There is another factor, however, that appears to be more important in the immediate future; namely, the extent to which foreign countries have dollars to pay for their soybean imports from the United States.

GREAT BRITAIN SETS HIGH FLAXSEED GOALS

Great Britain has established flaxseed goals of 150,000 acres for 1948 and 400,000 by 1951, according to a recent announcement of the Minister of Agriculture. This is part of an agricultural expansion program including new guaranteed prices and subsidies for domestically produced farm products.

Flaxseed production on a commercial scale is a comparatively recent venture in Great Britain. Prior to 1940 only about 2,000 acres were cultivated to this crop. The 1940-44 average area was approximately 20,000 acres and this year's acreage is reported at 30,000.

CHILE HAS RECORD OILSEED OUTPUT

Chile's 1947 oilseed output will likely be the largest ever produced in that country. Sunflower seed, by far the most important oleaginous crop, came to 32,000 short tons from 55,000 acres, a record harvest from a record acreage. The 75 percent increase over the previous year was the result of a 65 to 75 percent price increase this season. Hempseed, with an output of 5,000 tons from 10,000 acres, was down 16 percent from last year's crop, the result of smaller plantings. While 1945 and 1946 exports totaled 450 and 406 tons, respectively, shipments abroad during the current year have been prohibited. Though 1947 flax seed plantings, for harvest in December, have probably been completed, no information regarding the acreage has as yet been received. In view of Chile's oilseed needs, the area is assumed to at least equal the 13,000 acres planted in 1946, from which 170,000 bushels of flaxseed were harvested.

Chile consumes about 17,600 tons of edible vegetable oils annually. Nearly four times this amount of oilseeds is required for this quantity

of oil. Although Chile's annual output of sunflower seed during the past five years has averaged over 18,000 tons, the greater share of the oilseed requirements must be imported from abroad. During recent years, this has been in the form of sunflower seed from Argentina. In 1945, imports totaled 35,140 tons, and in 1946, 24,936, the latter an inadequate quantity for the maintenance of a suitable stock position. Argentina prohibited the exportation of oilseeds to Chile in 1947. However, because of previous commitments, 762 tons of sunflower seed were received by Chile during January-March of this year. Total vegetable oilseed imports, including peanuts, rapeseed, flaxseed, castor-beans, and sesame seed, as well as sunflower seed, came to 42,000 tons in 1945 and 32,000 in 1946. Most of the peanuts, rapeseed, and sunflower seed originated in Argentina. Shipments of 762 tons of sunflower seed and a small quantity of castor-beans were the only oilseed imports during January-May of this year. Faced with an acute shortage of edible vegetable oils and the impossibility of obtaining oilseeds from Argentina, Chile purchased, last October, 22,000 tons of vegetable oil from Argentina, shipments to be made throughout 1947. To facilitate the purchase, an executive decree reduced the import duty. Approximately 6,600 tons had been imported by mid-July.

The official price of sunflower seed during the 1946-47 season was 410 pesos per 100 kilograms (6.00 cents per pound) f.o.b. country shipping point, compared with approximately 250 (3.66 cents) the previous season. Although no official price has been set for next year's crop, oilseed factories are currently making contracts with the growers at 520 pesos per 100 kilograms (7.62 cents per pound). With this incentive farmers will likely plant (October-November) an acreage even greater... than this year's record.

During recent months the price of hempseed has increased from an average of 645/675 pesos per 100 kilograms (9.45/9.89 cents per pound), in bulk, Valparaiso during April to a July average of 720/760 pesos (10.55/11.13 cents). In July 1946 the price averaged 450/475 pesos (6.59/6.96 cents).

The price of flaxseed increased from 750/800 pesos per 100 kilograms (10.99/11.72 cents per pound), in bulk, f.o.b., Santiago during April of this year to 900/1,200 pesos (13.18/17.58 cents) in July. During July 1946 the price averaged 520/580 pesos per 100 kilograms (7.62/8.50 cents) or only about one-half current quotations.

Chile: Sunflowerseed, flaxseed, and hempseed acreage and production, 1947 with comparisons

Year	Sunflower seed		Flaxseed		Hempseed	
	Area	Production	Area	Production	Area	Production
	Acres	Short tons	Acres	Bushels	Acres	Short tons
Average 1935-39	a/	a/	b/4,564	b/37,478	16,138	6,278
1940-44	17,606	9,570	14,382	137,846	26,403	10,194
1945	51,226	30,920	12,073	151,043	11,223	5,385
1946	30,191	18,400	12,797	169,738	13,025	5,445
1947	55,160	32,172	-	-	10,324	4,595

Compiled from official sources

a/ Not officially reported prior to 1940. b/ 1939 only.

c/ Average of less than 5 years.

COTTONCOTTON-PRICE QUOTATIONS
ON FOREIGN MARKETS

The following table shows certain cotton-price quotations on foreign markets, converted at current rates of exchange:

COTTON: Spot prices of certain foreign growths
and qualities in specific markets

Market location, kind, and quality	Date: 1947:	Unit of weight	Unit of: currency:	Price in foreign currency	Equivalent U.S. cents per pound
Alexandria	:	Kantar	:	:	:
Ashmouni, Good.....	8-28:	99.05 lbs.	Tallari	40.00	33.35
Ashmouni, F.G.F.....	" :	"	"	38.50	32.10
Giza 7, Good.....	" :	"	"	(not quoted)	
Giza 7, F.G.F.....	" :	"	"	(not quoted)	
Karnak, Good.....	" :	"	"	46.25	38.56
Karnak, F. G. F.....	" :	"	"	(not quoted)	
Bombay	:	Candy	:	:	:
Jarila, Fine.....	" :	784 lbs.	Rupee	432.00	16.63
Broach, Fine.....	" :	"	"	538.00	20.70
Sind American, Fine.....	" :	"	"	542.00	20.86
Punjab " 289-F, Fine:	" :	"	"	628.00	24.17
Kampala, East African....	" :	"	"	920.00	35.41
Buenos Aires	:	Metric ton	:	:	:
Type B.....	8-30:	2204.6 lbs.	Peso	2590.00	34.98
Lima	:	Sp. quintal:	:	:	:
Tanguis, Type 5.....	" :	101.4 lbs.	Sol	168.00	25.49
Pima, Type 1.....	" :	"	"	192.00	29.13
Recife	:	Arroba	:	:	:
Mata, Type 5.....	8-29:	33.07 lbs.	Cruzeiro	105.00	17.27
Sertao, Type 5.....	" :	"	"	105.00	17.27
Sao Paulo	:	:	:	:	:
Sao Paulo, Type 5.....	" :	"	"	(Not available)	
Torreón	:	Sp. quintal:	:	:	:
Middling, 15/16".....	" :	101.4 lbs.	Peso	131.25	26.64

Compiled from weekly cables from representatives abroad.

LIVESTOCK AND ANIMAL PRODUCTSWORLD OUTPUT OF DAIRY PRODUCTS,
SECOND QUARTER 1947

The principal development during the April-June period has been the sharp drop in output of manufactured dairy products in countries of central and northwestern Europe. At the same time production in the United States continued above last year for butter, cheese and evaporated milk. In that country milk production per cow has been maintained at record levels and the increase in milk flow, together with a decline in consumption of fluid milk and cream, has left more milk and cream for manufactured dairy products.

The drop in output of butter and other dairy products in Denmark, the Netherlands, Switzerland, and adjacent areas is attributed to poorer pastures and a decline in total milk production. Further deterioration occurred in these areas in July and August.

Current statistics on the manufacture of dairy products in France are being added to the report this quarter. Due to a 14 percent increase in milk production in the first six months of 1947, compared to the first half of 1946, output of dairy products in France was generally above a year ago. Adverse conditions in July and August, however, have altered this situation.

Butter production in the second quarter of 1946, as compared to the same period a year earlier, showed marked changes in several countries. New Zealand registered a sharp increase over the low output a year ago. The butter industry in the United States has regained a portion of butter-fat lost to other uses during the war. Higher prices for butter in France and Belgium have increased the quantity commercialized in these countries. Because of other uses of milk, less has been available for butter in Switzerland and the United Kingdom. As indicated above, drought and unfavorable pastures have resulted in a decline in output in Denmark and the Netherlands.

Cheese production in Canada, Argentina, and Australia in the April-June period showed a sharp drop from the same period a year earlier. Production in Switzerland was maintained at the expense of butter production. Only in the United States and France did cheese production in the quarter under review exceed that of a year earlier.

Canned milk output in France in the second quarter of 1947 was well above the same period in 1946 and appears to have exceeded prewar levels, but is still far short of demand. Production in other European countries was being adversely affected by the drop in early summer milk production. Production of canned milk in Cuba was 15 percent above a year earlier because of favorable pasture conditions. Output in the United States and Canada was maintained at about 1946 levels.

Dried milk. - With an increase in butter production in the United States, more skim milk was available for drying. This was offset by lower prices for non-fat solids and a diversion of skim milk to casein production so that the production of non-fat dry milk solids for the April-June period was only slightly above the output for the same period a year earlier. Production of dried whole milk, however, was nearly one-third lower. Production of dried milk in Canada and Argentina continued ahead of 1946. More milk is being dried in France in 1947 than a year ago, but the total quantity is relatively small.

Current conditions: The Hague - The longest and driest summer on record in the Netherlands continues unabated, with increasing damage to pastures and crops. Milk production currently is off approximately 15 percent and going lower.

(Continued on Page 167 ; table follows)

DAIRY PRODUCTS: Output in principal producing and exporting countries,
second quarter (calendar) 1947, with comparisons

164

Foreign Crops and Markets

Vol. 55, No. 10

Country and product	Average 1934-38	1946		1947		Second quarter 1947/1946
		Total 1946	2nd quarter	3rd quarter	4th quarter	1st quarter
		1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Butter a/						
Canada	248,119	271,366	93,891	101,135	46,155	30,557
United States	1,673,328	b/11,194,876	b/326,543	347,925	267,790	299,985
Belgium	46,179	b/c/48,111	b/c/14,533	b/c/17,941	10,818	b/c/10,318
Denmark	400,660	b/c/311,069	89,727	92,293	70,327	63,452
Eire	89,400	61,737	20,186	28,634	10,196	1,806
Finland	61,287					16,388
France	444,888	213,771	57,712	69,198	56,310	35,346
Germany	792,000					64,833
Netherlands	201,000	b/116,260	35,444	43,731	26,501	14,140
Norway	24,930	14,006	4,698	4,087	2,870	2,962
Sweden	151,309	219,627	59,775	65,305	48,521	47,884
Switzerland	62,170	39,707	12,150	10,251	10,031	6,777
United Kingdom	44,200	24,954	10,573	8,064	3,136	1,837
Argentina	65,742	112,142	27,599	21,018	33,309	34,167
Union of South Africa	27,725	35,998	10,038	6,272	7,786	11,351
Australia	437,032	b/318,042	b/61,806	60,193	99,430	87,992
New Zealand - total	366,049	283,269	26,283	50,695	131,580	h/
Export gradings	314,753	244,051	18,332	38,207	122,415	93,343
Cheese l/						29,658
Canada	114,699	143,509	52,371	63,949	21,370	5,416
United States	643,234	b/1,094,678	b/350,623	316,425	223,520	251,925
Denmark	68,820	b/128,749	b/42,769	43,651	26,676	23,368
France	363,098	215,059	59,216	70,135	56,759	43,861
Italy	523,518	363,759				80,743
Netherlands n/	266,549	b/143,691	b/55,161	55,761	27,985	10,104
Norway	39,067	20,463	8,263	6,492	2,873	3,618
Sweden	71,269	97,911	31,250	29,443	17,942	23,364
Switzerland	111,729	84,646	26,555	34,171	15,212	8,369
United Kingdom	109,000	55,553	18,861	21,146	9,632	4,525
Argentina	67,873	207,630	48,045	40,270	64,006	53,144
Union of South Africa:	10,195	15,614	3,811	3,068	3,673	4,716
Australia	49,111	96,129	16,740	20,807	32,777	20,651
New Zealand - total	201,272	b/210,147	26,170	30,715	87,871	h/
Export gradings	194,175	194,981	30,092	15,156	80,080	68,730
						28,873
						96
						92
						89
						52
						99
						136
						98
						118
						76
						162
						95
						94
						66
						73
						112
						101
						128
						122
						92
						81

Country and product	Average 1934-38	1946				1947		Second quarter 1947/1946
		Total 1946	2nd	3rd	4th	1st	2nd	
		pounds	quarter	quarter	quarter	quarter	quarter	Percent
			pounds	pounds	pounds	pounds	pounds	
Canned Milk								
Canada o/	92,377	b/ 230,378	83,850	b/ 72,955	38,048	37,379	83,765	100
United States o/	2,469,535	b/ 74,636,572	b/ 4,595,544	b/ 4,322,216	b/ 816,778	b/ 959,385	1,625,645	102
Cuba	32,564	28,524	5,386	10,216	8,567	4,396	6,171	115
Denmark	40,785	31,019	-	-	-	6,664	-	-
France	28,953	38,678	10,657	13,600	10,575	7,367	17,322	163
Netherlands	304,896	38,118	13	19,546	17,150	7,758	-	-
Switzerland	14,198	15,049	5,889	4,969	2,778	1,784	5,756	98
United Kingdom	378,560	174,631	93,274	30,285	22,310	b/ 13,888	73,203	78
Argentina	-	9,438	2,158	1,936	2,853	3,146	1,906	88
Australia	38,867	114,735	20,598	26,217	42,189	-	-	-
New Zealand	11,273	q/	-	-	-	-	-	-
Dried Milk r/								
Canada	23,488	b/ 58,027	b/ 20,466	18,429	11,192	9,481	22,763	111
United States	203,555	b/ 840,857	b/ 321,844	b/ 219,697	b/ 121,508	b/ 199,330	304,450	95
Belgium	5,500	3,665	1,123	1,496	972	-	-	-
Denmark	2,205	14,028	-	-	-	2,742	-	-
France	7,685	2,032	439	535	536	477	701	160
Netherlands	56,438	b/ 30,001	b/ 11,297	17,403	1,213	4,409	-	-
Switzerland	2,381	6,186	2,214	1,904	970	1,015	1,995	90
United Kingdom	33,600	63,257	25,894	20,966	9,228	b/ 3,136	22,490	87
Argentina	s/	13,209	2,708	1,731	4,894	b/ 4,883	3,213	119
Australia	16,971	t/ u/ 55,228	t/ 10,516	t/ 14,133	t/ 19,629	-	-	-
New Zealand	17,429	q/	-	-	-	-	-	-

Office of Foreign Agricultural Relations-

Prepared from official statistics, United States Foreign

service reports, and other information.

a/ Creamery Butter. b/ Revised. c/ These figures represent controlled production of butter. d/ Total production of all butter is estimated at 62 million pounds in 1946. e/ Total production. f/ Less than a 5-year average. g/ Total production of all butter is estimated at 880 million pounds in 1946. h/ Based on 2-months' production only. i/ Production year beginning July 1. j/ Production year beginning April 1. k/ Marketing year beginning August 1. l/ Factory cheese. m/ Total cheese, and includes cheese made from the milk of sheep and goats. n/ Includes farm cheese. o/ Both bulk and case goods. p/ For 1937 only. q/ Canned and dried milk reported at 55,664,000 pounds for 1946. r/ Total dried-whole and dried-skim milk for human consumption. s/ Quantity small. t/ Includes infants' food, health beverages, etc. u/ Production of dried-whole and dried-skim milk was 38,904,000 pounds in 1946. v/ For 1938 only.

EUROPEAN CROP CONDITIONS

THE AUGUST DROUGHT IN EUROPE
REDUCING LATE CROPS

Almost unprecedented high temperatures during late July and August and little or no rainfall throughout large areas of western and central Europe following subnormal rainfall in earlier months have caused considerable deterioration of late crops. Production prospects for potatoes, sugarbeets, pulses and fodder crops have all been lowered, pastures are brown and dry and the second growth of meadows, which is used for hay or silage, is a complete failure in many localities. The shortage of feed is resulting in increased slaughter of livestock, and milk production has been sharply reduced.

The areas most seriously affected are southern Norway, Denmark, southern Netherlands, Belgium, France, the southern half of Germany and parts of Switzerland, Austria, and Czechoslovakia. However, most of the remaining parts of western Europe, including the United Kingdom, report less than normal rainfall in August and expect below average yields of late crops.

The effect of the August drought upon Europe's 1947-48 food supply cannot yet be determined. The fall-sown grains in these countries already reduced by the winter freeze, escaped much drought damage, but spring sown grains were short because of light rainfall in June and July, and hay and straw crops were short generally. It is reported that the reduction in sugar beet yields will be offset, to some extent, by a higher sugar content. Since a large proportion of the potatoes and most of the root crops are grown for feed, the reduction in feed supplies may be much more serious than in food supplies.

Immediate rains would stop further deterioration but a shortage of domestic feed supplies during the coming year cannot be avoided and farmers in some areas are already barn-feeding their dairy cows. Because of the short corn crop in the United States and the general shortage of feedgrains in other parts of the world, it will be impossible for the afflicted countries to import significant amounts of feed supplies during the coming winter. Resulting feed shortages may force abnormally high liquidation of livestock with consequent shortages of meat this winter and spring. Because of the present high level of slaughter, meat rations have been temporarily increased or discontinued in some countries. Milk supplies have been sharply reduced and further decreases are feared because of necessary culling of dairy herds. The greatest reduction in livestock numbers, however, is expected in hogs and in young stock.

The collection of grain will be increasingly difficult this year because of the shortage of feed. Many of the governments of western Europe are increasing their efforts to collect both bread-grains and oats and barley for use as food during the coming winter. The extent to which these collection schemes are successful will be an important factor in determining the amount of bread grains available for human consumption in western European countries.

LIVESTOCK AND ANIMAL PRODUCTS(Continued from page 163)

Oslo :-Pastures in southern Norway during August were practically a complete failure. Milk supplies for 450,000 registered consumers in greater Oslo are now only sufficient to meet ration schedule for children and sick.

Bern:-The summer developed into the worst drought year in Switzerland in many years. Inroads are being made on an already limited winter feed supply.

Berlin:-Grass, clover, and other fodder crops in the U. S. zone in Germany have suffered considerable damage from the present drought which is likely to affect milk production adversely.

Paris:-Dairy production held up very well through the first two weeks of July, but continued drought, aggravated by intense heat waves commencing about July 15 and continuing until the first week of August caused a drop in milk production of nearly 40 percent instead of the anticipated seasonal drop of about 15 percent.

Brussels:-Clear, hot, sunny days without rain throughout August following abnormal spring and summer have burned pastures and forage crops. Dairy production has been dropping much more than seasonally.

Copenhagen:-Drought has reduced milk production nearly 20 percent below last year since mid-August.

Buenos Aires:-Following sharply reduced temperatures at mid-July, the weather gradually warmed up and the milk flow in consequence has continued to average somewhat above normal, although moisture deficiencies have begun to affect pastures in certain regions, particularly the central part of Santa Fe province. In other areas, however, there has been sufficient adjustment of demand and supply to permit the consideration by manufacturers of lower purchase prices for milk for August.

E C O N O M I C D E V E L O P M E N T S

EXPORTER ACCEPTS
IMPORTS IN TRADE

The world dollar shortage may result in the agriculture of the United States being confronted with a severe shrinkage of foreign markets for some of its important export products, and with discrimination in favor of countries whose importers can export.

In this connection, an article published in the New York Times of September 1, 1947 describing the efforts of the Westinghouse Electric International Company to facilitate its exports by means of an import division, should interest United States agricultural exporters.

The article in question, by Thomas F. Conroy, is a report of an interview with Arthur Partridge of the Westinghouse company. Mr. Partridge is quoted as saying that the Westinghouse company set up an import division to foster its export business in 1946, and that the imports of this division are at present running at a rate about double that of last year. These imports are described as being about one-twentieth of Westinghouse's exports.

The article states that the division imports goods used by the Westinghouse company itself, and also items sold in the market to other industries and to consumers. The company's food and agriculture department imports food products not grown in the United States, as for example, canned pineapples from Cuba. Another department imports such merchandise as tooled Florentine leather, alabaster and other novelty goods of the gift-shop type. Research departments also are connected with the import division. The Westinghouse imports are disposed of through normal trade channels.

Mr. Partridge warned that the productive capacity of the United States is so great that a good deal of time, manpower and money must be spent to develop an import business.

L A T E N E W S
(Continued from Page 154)

Imports of cotton into Hungary during the year ended July 31, 1947 totaled 71,000 bales (of 500 pounds gross) and included 27,000 bales from South America, 20,000 from the Soviet Union, 13,000 from the United States and 9,000 from Egypt. All of the 60,230 bales (except 265) imported in 1945-46 were obtained from the Soviet Union. Consumption in 1946-47 amounted to 80,000 bales. About 32,000 bales were in stock on August 1, 1946, and 23,000 a year later.

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Cotton stocks (including unginned cotton) in Argentina at the end of July, 1947 were estimated at 405,000 bales (of 500 pounds gross), compared with 486,000 a year ago. Consumption totaled 347,000 bales in 1946-47 against 342,000 a year earlier. Exports in 1946-47 were prohibited, except under permits issued earlier, and totaled only 37,000 bales, compared with 125,000 in 1945-46. Government stocks totaled 14,000 bales.

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The Governments of India and Pakistan have announced unrestricted exportation of cotton until the end of November, 1947. Floor and ceiling prices in Pakistan are to be announced shortly, and further trading in Karachi is expected. An export tax of 20 rupees a bale (about one and one-fourth cents a pound) remains in effect in India.

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The third official estimate placed the 1946-47 Argentine cotton crop at 301,000 bales, compared with an earlier estimate of 316,000, and a final 1945-46 estimate of 283,000 bales.